Insulation Contractors Association
4153 Northgate Blvd. #6 Sacramento CA 95834
Phone (916) 568-1826 e mail bburt@macnexus.

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Introduction

The Insulation Contractors Association is a voluntary California association of organizations that take part in the insulation industry. These comments concentrate upon issues raised in the recent public hearings related to the 2005 IPR.

Like any comments, ours are based upon what we know.

I. Climate Change

Obviously, with respect this issue, it is somewhat in our interest that the worst case scenarios prove correct; the hotter it becomes, the more insulation is needed. However, we exist in the California economy. If it is damaged by seriously misplaced investment or damaging regulation, people will not be able to afford long term benefits and, thus, cannot buy our product.

Our comment here is simple: *BE A LITTLE HUMBLE. To quote the late Sam Goldwyn, "Forecasting is very difficult, especially about the future."*

First, by far the most important GHG is water vapor. Man's control of it is trivial. Almost all comes from evaporation from the world's various large water surfaces. No matter what we do, we will only have an incremental impact on some added elements to the greatest GHG effect.

Second, one of man's greatest impacts upon the earth's climate is agriculture, not about to be significantly reduced. It drastically changed reflectivity of major surface areas and the amount of plant moisture normally expected to be exuded from them.

Third, the Aztecs did not leave what is now our South West because they were tired of the scenery. It was a thousand-year drought that sent them to what is now Mexico. Other, very serious, climatic changes are easy to document in our post-glacial past. The Medieval Warming made Greenland so warm that Viking settlers could live on their grazing cattle. The subsequent Little Ice Age (from which we have only recently emerged) killed the cattle and, at its height, often froze European rivers. Further, we have no satisfactory theories to explain our past sequential Ice Ages or why they won't come back again, since we have about completed the normal time interval between past glaciers.

Fourth, our computer simulations utterly fail to back cast or even replicate current conditions. So depending upon them to produce forecasts, must be treated with GREAT skepticism. They are trying to deal with an immensely complex system of interacting factors. Even the nature of the

interaction must often be guessed at. Significant future elements (such as cloud cover and secondary human effects, like soot) must often be guessed with a very high level of probable error. The established computer maxim, 'garbage in, garbage out,' is certainly applicable here. Note, in passing, that many of these same problems were a major source of the serious skepticism that, properly, greeted the Club of Rome's computer models for its "Limits to Growth."

II. Transportation Fuels

We agree that options to reduce California use of transportation fuels should include a tighter CAFE. The most significant *legitimate* argument against such action is no longer valid. Recent advances in design have found numerous small cars meeting the most exacting collision safety standards.

Rather than advertising, we believe a tax break tied to easy-rolling tires purchased and installed here would be more effective.

We also agree that any effort to use California's taxing powers to reduce fuel use should be revenue neutral. *However, it is very difficult to see how this could be done, since vehicle USE is not tied very well to any other tax, other than the just suggested tire tax break. Licence fees are not necessarily tied to usage and a portion of this revenue is devoted to local government needs (as we recently found out), so tinkering there is dangerous .*

It is often said that the era of hydrocarbon fuels is nearing its end. We disagree. While it must be recognized that the day of CHEAP hydrocarbon fuels is nearing an end, any notion that we must get ready to abandon them is unjustified. So draconian measures to save fuel cannot be reasonably based upon such a premise.

We have shown that we are able to endure oil prices well above the $40 area that makes numerous other hydrocarbon resources available. For sources, the Cretaceous was a very generous giver, so hydrocarbons from outside the framework of nice cheap petroleum wildcating will become our primary sources. For any near-term century, these are nearly unlimited.

First, we have not nearly exhausted conventional oil sources. Our own coastal resources are only well explored off Texas and Louisiana. As one of the few people who has actually visited ANWR, I can say that the environmentalist descriptions of the place are ridiculous, sentimental error. It is a bare plain with very little life (except myriad summer mosquitoes, Alaska's native bird of prey). In passing, the caribou herd that was supposed to be decimated by building the oil pipeline (to serve the Prudhoe Bay field) has gone from 6,000 to more than 30,000 since the pipeline arrived. In the rest of the world, many promising sites have not been drilled. Most of the sites that are left certainly have costs in excess of the fabulous resource we are still drawing down, but at likely future prices, should prove profitable.

Then, we have oil sands. Those in Canada alone have reserves adequate to cover 100 years at current demand levels (which, of course, will rise). Since we have been seriously discriminating against their exports of soft timber, we are probably not in Canada's good graces at the moment, but that could be remedied. It would take a likely, but not certain, outbreak of common sense there for Venezuela's at least equal-sized oil sands reserve to be developed and marketed.

The US has at least a trillion available barrels of oil shale deposits. New, recently demonstrated, in-situ techniques should make this available for use at prices within likely envelopes. These new techniques include ice-wall barriers to prevent adverse effects on nearby groundwater. The rest of the world has not really looked for oil shale, but it is a good bet there is more out there.

Then, we have coal, which is nearly pure carbon. There are several well-proved methods to make a hydrocarbon with it. Unfortunately, the cheapest involves use of natural gas (CH4), but South Africa showed that water will also work at only slightly greater cost. The reason the US is sometimes called 'the Saudi Arabia of Coal' is that, for more than 150 years, the USGS has paid young geologists to tramp all over, looking for surface mineral signs. Economical coal usually has such signs. Due to lack of demand, most of the rest of the world has not been so explored.

So, if we want them, at prices we have shown we can endure, transportation hydrocarbon fuels will be available for centuries.

III. Water And Energy Integration

We can claim little expertise in this area, but it is obvious that California must give it serious attention. As the old saying goes, *"In dry country, water causes more fights than women and gold, because, without water, you can't get either of the others."* This is dry country, so we must resolve the fights. Certainly, one element of such resolution must be to ensure that our desperately needed water conservation and energy conservation efforts enhance each other. As an outside observer, it seems to me that the major difficulty for such resolution is that each of the many different control and regulatory entities has 'turf-status' that tends to conflict with any simple resolution.

California's past experience, when one entity had such clout that it dominated water decision-making, does not provide much room for happy anticipation of good results from any 'Water and Energy Czar.' So we suspect that the only answer is to hope for good results from our essentially continuous consultations seeking consensus on this and closely related subjects.

Respectfully presented, Robert E. Burt

Robert E. Burt, Exec. Dir.